

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 908 - Plumber, HVAC and Mechanical Professional Licensing (LSB 1688 HZ)
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Fiscal Note Version - New

Description

House File 908 establishes licensure requirements for individuals, apprentices, journeypersons, and masters who provide plumbing, heating, ventilation, and air conditioning (HVAC) services, and pre-empts all other licensure requirements. An 11-member Board under the Department of Public Health (DPH) is created to oversee testing, licensure, and discipline. The fees collected for examinations and licensure are to be retained as repayment receipts to cover costs for duties associated with the Board.

The Bill also limits advertising for plumbing, HVAC, refrigeration, or hydronic services to those with a license and provides for a penalty of a serious misdemeanor. In addition, the Bill provides that it is a serious misdemeanor to forge a diploma or certificate or to commit fraud in order to obtain a license.

Assumptions

- In FY 2008, revenues from exam and licensure fees are not expected to be available to cover increased personnel and support costs, Board member reimbursement, and meeting costs. Any revenue generated in FY 2008 will be received toward the end of the fiscal year and utilized at the beginning of FY 2009.
- The Board will meet four times per year at a cost of \$100 per member for a total of \$4,400. This includes a \$50 per diem and expenses, such as mileage and meals. Meeting venue costs will be \$200 per meeting for a total of \$800.
- In FY 2008, personnel costs will include an Executive Officer 1 and a Clerk Specialist at an estimated \$73,000. The cost has been reduced by 25.0% for lag time due to the hiring process.
- In FY 2008, other support costs will be an estimated \$47,000 for office rental, staff travel, postage, and office supplies.
- In FY 2009 and beyond, personnel, support, and meeting costs will be covered 100.0% with revenues from fees.
- There will be 15,000 exams given at \$50 each, which will generate \$750,000 in revenue every other year, beginning in FY 2009.
- There will be 12,000 two-year licenses issued at \$120 each, which will generate an estimated \$1.4 million in revenue every other year, beginning in FY 2009.

Correctional Impact

The correctional impact for the simple misdemeanor penalties contained in the Bill is not expected to be significant due to the rarity of criminal convictions for licensing violations.

Fiscal Impact

House File 908 will increase General Fund expenditures by an estimated \$125,000 for the Department of Public Health in FY 2008. In subsequent fiscal years, the cost will be covered by revenues generated from exam and licensure fees.

In FY 2009 and every other year thereafter, the exam and licensure fees will generate an estimated \$2.2 million that will be retained by the Board to cover personnel, support, and meeting costs.

Sources

Department of Public Health
Legislative Services Agency

/s/ Holly M. Lyons

April 23, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
